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PP RUEHWEB

DE RUEHMO #3356/01 3250348
ZNR UUUUU ZZH
P 200348Z NOV 08
FM AMEMBASSY MOSCOW
TO RUEHC/SECSTATE WASHDC PRIORITY 0813
INFO RUEHBS/AMEMBASSY BRUSSELS PRIORITY 1990
RUEHVI/AMEMBASSY VIENNA PRIORITY 4686
RUEHGV/USMISSION GENEVA PRIORITY 5236
RUEHRC/DEPT OF AGRICULTURE WASHDC PRIORITY
RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RHEHAAA/WHITE HOUSE WASHDC PRIORITY

UNCLAS MOSCOW 003356

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E.O. 12958: N/A
TAGS: [EAGR](#) [ETRD](#) [ECON](#) [WTO](#) [RS](#)
SUBJECT: LEAD WTO NEGOTIATOR DISCUSSES VETERINARY LETTERS

REF: A. MOSCOW 3181
[1](#)B. MOSCOW 3175

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SUMMARY

[1](#)1. (SBU) In a November 18 meeting with Agricultural Affairs M-C and EconOffs, Russian Chief WTO Negotiator Maksim Medvedkov stated that the November 2006 U.S.-Russia side letter on meat and poultry inspections and certifications was still in force. However, he said Russian and U.S. veterinary and food safety experts should meet before the end of the year to discuss divergent views about inspection commitments made under the side letter. Medvedkov insisted that there was no protectionist motivation behind the recent Russian Veterinary and Phytosanitary Surveillance Service (VPSS) letters and actions, noting that there were easier ways for Russia to limit U.S. poultry imports if that were the purpose. End Summary

Meat Agreement and Side Letters Still in Force

[1](#)2. (SBU) On November 18, Agricultural Affairs M-C and EconOffs met with Chief WTO Negotiator Medvedkov to discuss the recent VPSS letters (reftels) questioning the reliability of FSIS to certify that U.S. meat/poultry exports meet Russian sanitary standards, in accordance with the terms of the November 2006 U.S.-Russia side letter on meat/poultry facility inspections. We shared with Medvedkov the November 10 detailed FSIS response to the recent VPSS letters, along with an informal Russian translation of the letter, emphasizing that certification of meat/poultry facilities for export to Russia must continue as provided for in the November 2006 side letter on inspections.

[1](#)3. (SBU) Medvedkov responded that he was familiar with the

recent VPSS letters and the FSIS response. He said the October 24 VPSS letter was not a unilateral Russian withdrawal from the side letter; the VPSS lacked that authority and was only acting within its limited mandate to regulate food and animal safety. The GOR had taken no action to withdraw from the November 2006 U.S.-Russia market access agreement and side letters and there were no interagency GOR discussions to that effect. The United States and Russia were engaged in consultations about potential amendments to the 2005 Meat Agreement, but those consultations were provided for in the agreement.

VPSS and FSIS Not Seeing Eye to Eye

¶4. (SBU) Medvedkov said he viewed the VPSS letters as an outline of areas where VPSS believed that FSIS was not adhering to the terms of the inspection side letter. He said VPSS and FSIS seemed to have fundamentally divergent views about the nature of the certification process for U.S. meat and poultry products. Medvedkov said that during Russian audits of U.S. plants in the summer of 2008, VPSS had identified instances in which they believed FSIS incorrectly certified that previously delisted plants had fixed deficiencies and now complied with Russian requirements. He cited the example of a delisted plant that did not have a wall between the slaughter and processing areas, as required by Russian rules, but which FSIS had nonetheless certified.

¶5. (SBU) Medvedkov said VPSS and FSIS seemed to disagree about whether FSIS needed to certify that U.S. exporters met the identical standards in effect in Russia, as VPSS asserted, or only substantially equivalent standards, as FSIS argued. He said Russia had similar disagreements from time to time with the EU and other major trading partners. A continued exchange of letters would probably not lead to any further progress. Instead, it made more sense for both countries' veterinary and food safety experts to meet as soon as possible to resolve these differences and come to a mutual understanding of commitments under the side letter. He proposed a meeting in Moscow prior to December 15, after which the holiday season would result in delays.

But It,s Not Protectionism

¶6. (SBU) Medvedkov repeatedly emphasized that the recent VPSS letters, while having an impact on U.S. meat and poultry exports to Russia, were not driven by protectionist motives. He noted that if that were Russia's desire, there were easier ways to block the U.S. meat/poultry trade, such as through a unilateral withdrawal from tariff rate quotas in the Meat Agreement, or through the imposition of sanitary and phytosanitary norms (SanPins), such as the proposed ban on chlorine-treated chicken. Instead, Russia had chosen the path of consultations with the United States. He added that the GOR is well aware that domestic producers cannot meet all of Russian consumers' demand for chicken.

COMMENT

¶7. (SBU) Medvedkov's assertions that the GOR and VPSS were not engaging in protectionism rang a bit hollow, especially in light of the frequency and tone of recent VPSS letters, and the rejection of product for even trivial mistakes in documentation. That said, we recommend a VPSS/FSIS meeting, as it seems clear that VPSS will not re-list any plants until after such consultations have taken place.

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